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December 29, 2005

BY HAND AND ELECTRONIC MAIL

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

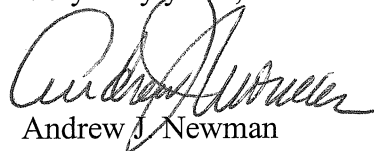
Re: Blackstone Gas Company - D.T.E. 05-86 - Standards for Arrearage Management

Dear Secretary Cottrell:

Enclosed for filing please find the Blackstone Gas Company Arrearage Management Program in accordance with St. 2005, c. 140, § 17 for approval.

If you have any questions, please contact the undersigned.

Very truly yours,



Andrew J. Newman

AJN/lms
Enclosures

cc: Elizabeth Cellucci, Esq.
Joseph Rogers, Esq.
Mr. James Wojcik
dte.efiling

BLACKSTONE GAS COMPANY
Arrearage Management Program
December 2005

Blackstone Gas Company (the “Company”) adopts the following Arrearage Management Program (“Program”) in accordance with the Heating Energy Assistance and Tax Relief Act (“Act”). St. 2005, c. 140, Section 17 to become effective no later than February 28, 2006, subject to approval by the Massachusetts Department of Telecommunications and Energy

1. The Program shall offer customers of the Company payment plans, arrearage forgiveness, energy efficiency audits and links to other financial grants and assistance.
2. The Program shall be available to eligible low-income customers, as defined in G.L. c. 164, eligible for low-income discount rates (“Eligible Customer”).
3. Any Eligible Customer with an account balance of \$400 or more, that includes charges for service from more than two monthly bills may request an Arrearage Management Plan (“Plan”) from the Company.
4. The Company and Eligible Customer shall negotiate a Plan which shall provide for an initial payment by the Customer of not less than 15% nor more than 25% of the arrearage amount, and monthly payments of the remaining arrearage amount payable in no less than four (4) nor more than twelve (12) months. If the Customer makes the payments required by the Plan and is current on his/her account with the Company at the end of the Plan term, the Company shall credit Customer an amount equal to the last monthly arrearage payment, but not more than \$400 under the Plan.
5. Any credit applied to a Customer under a Plan by the Company shall be considered an additional low-income discount and subject to recovery by the Company under the Residential Assistance Adjustment Clause, Rate RAAC. M.D.T.E. No. 87.